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NOTICE OF PROPOSED RULEMAKING

AZ CORP COMMISSION
DOCUMENT CONTROL

SECRETARY OF STATE

1. Agency Name: Arizona Corporation Commission, Securities Division
2. Title and its Heading: Title 14, Public Service Corporations; Corporations
and Associations; Securities Regulation

Chapter and its Heading: Chapter 4, Corporation Commission, Securities

Article and its Heading: Article 1. In General Relating to the Arizona
Securities Act

SectionsAction

R14-4-114

Amend

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Arizona Corporation Commission

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3/23/01 *Register*
R01-88

AGENCY CERTIFICATE

FILED

for

2001 FEB 27 P 2:23

NOTICE OF PROPOSED RULEMAKING

SECRETARY OF STATE

1. Agency name: Arizona Corporation Commission, Securities Division
2. Chapter heading: Chapter 4. Corporation Commission, Securities
3. Code citation for Chapter: 14 A.A.C. 4
4. The Subchapters, if applicable; the Articles; the Parts, if applicable; and the Sections involved in the rulemaking, listed in numerical order:

Articles and Sections

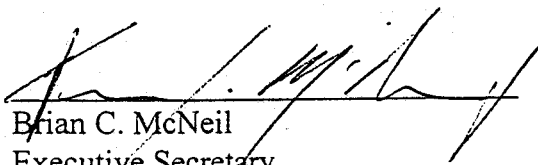
Action

Article 1. In General Relating to the Arizona Securities Act

R14-4-114

Amend

5. The rule being submitted is a true and correct version of the rule proposed by the agency.


Brian C. McNeil
Executive Secretary
Arizona Corporation Commission

16 FEB 01
Date

3/23/01 Register
R01-88

NOTICE OF PROPOSED RULEMAKING

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TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND
ASSOCIATIONS; SECURITIES REGULATION

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CHAPTER 4. CORPORATION COMMISSION--SECURITIES

SECRETARY OF STATE

PREAMBLE

1. Sections Affected Rulemaking Action

A.A.C. R14-4-114 Amend

2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statute: A.R.S. §§ 44-1821 and 44-1844

Implementing statute: A.R.S. § 44-1844

Constitutional authority: Arizona Constitution Article XV §§ 6 and 13

3. A list of all previous notices appearing in the Arizona Administrative Register.

Notice of Rule Making Docket Opening 6 A.A.R. 4273, November 13, 2000

4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Sharleen A. Day, Associate General Counsel *
Address: Arizona Corporation Commission, Securities Division
 1300 W. Washington, Third Floor
 Phoenix, AZ 85007-2996
Phone: (602) 542-4242
Fax Number: (602) 594-7421

5. An explanation of the rule, including the agency's reasons for initiating the rule:

The Arizona Corporation Commission (Commission) proposes to amend Section R14-4-114 (rule 114) to specify the recognized manuals of securities for purposes of the exemption in A.R.S. § 44-1844(A)(11). A.R.S. § 44-1844(A)(11) exempts from registration requirements a

transaction in securities listed in a recognized manual of securities designated by the Commission by rule or order. Rule 114 designates those manuals of securities recognized by the Commission for purposes of the exemption. The Commission proposes to amend rule 114 to reflect the name changes in many of the manuals from Moody's to Mergent's, and to eliminate reference to manuals that are no longer in print. The Notice of Rulemaking Docket Opening included rule 114 and rule 115. This Notice of Proposed Rulemaking applies only to rule 114. The Commission is pursuing a separate rulemaking package for rule 115.

6. Reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study, and other supporting material.

None.

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable.

8. The preliminary summary of the economic, small business, and consumer impact:

The economic, small business, and consumer impact statement for rule 114 analyzes the costs, savings, and benefits that accrue to the Commission, the office of the attorney general, the regulated public, and the general public. With the adoption of the proposed rule, the impact on established Commission procedures, Commission staff time, and other administrative costs doesn't change. The estimated additional cost to the office of the attorney general doesn't change. The benefits provided by rule 114 are nonquantifiable. Rule 114 should benefit the Commission's relations with the regulated public because of specified exemption standards. The public will benefit from the continuation of certain

standards for exemptions. The Commission anticipates that the proposed rulemaking will not increase monitoring, record keeping, or reporting burdens on businesses or persons.

The costs of implementation or enforcement are not increased or are only marginally increased. Please provide comment regarding the accuracy of this summary to the individual named in item 4 above.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Not applicable.

10. The time, place, and nature of the proceedings for the adoption, amendment, or repeal of the rule, or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Date: May 2, 2001
Time: 10:00 a.m.
Location: Arizona Corporation Commission
1200 West Washington Avenue
Phoenix, Arizona 85007

Nature: Oral proceeding. Subsequent to the oral proceeding, the Arizona Corporation Commission will take final action at an open meeting with respect to the making of the proposed rule.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

None.

12. Incorporations by reference and their location in the rules:

None.

13. The full text of the rule follows:

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND
ASSOCIATIONS; SECURITIES REGULATION

CHAPTER 4. CORPORATION COMMISSION - SECURITIES

ARTICLE 1. IN GENERAL RELATING TO THE ARIZONA SECURITIES ACT

Section

R14-4-114. ~~Listing of certain publications as constituting Recognized recognized manuals of~~
~~securities, as used in A.R.S. § 44-1844(A)(11)~~

R14-4-114. Listing of certain publications constituting ~~Recognized~~ recognized manuals of securities, ~~as used in A.R.S. § 44-1844(A)(11)~~

A. For purposes of A.R.S. § 44-1844(A)(11), each ~~Each~~ of the following publications is approved by the Commission as a recognized manual of securities, ~~within the meaning of that term as used in A.R.S. § 44-1844(A)(11):~~

1. Mergent's ~~Moody's~~ Industrial Manual,;
2. Mergent's ~~Moody's~~ Municipal and Government Manual,;
3. Mergent's ~~Moody's~~ Transportation Manual,;
4. Mergent's ~~Moody's~~ Public Utility Manual,;
5. Mergent's ~~Moody's~~ Bank and Finance ~~Financing~~ Manual,;
6. Standard & Poor's Corporation Records,;
7. ~~Walker's Manual of Western Corporations.~~

B. A "publication" for purposes of this Section includes electronic publication formats that are as readily available to the general public as the printed version, including CD-ROM and electronic dissemination over the Internet.